IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

FLEXLATCH LLC,

Plaintiff,

v.

THE PARTNERSHIPS AND UNINCORPORATED ASSOCIATIONS IDENTIFIED ON SCHEDULE A,

Defendants.

Case No. 23-cv-06296

Honorable Andrea R. Wood

Magistrate Judge Jeffrey T. Gilbert

DECLARATION OF JIASHENG YANG ISO DEFENDANT'S MOTION TO MODIFY PRELIMINARY INJUNCTION ORDER

- I, Jiasheng Yang, declare:
- 1. I am the general manager for Ningbo Yingli Electrical Appliances Co., Ltd (hereinafter "Defendant"). I am over the age of eighteen years. I make this declaration based upon my personal knowledge and am competent to testify to the matters stated herein.
- 2. I understand Plaintiff asserts copyright infringement in this lawsuit. I further understand the asserted copyrighted material is filed with the Court.
 - 3. Defendant received an email from Plaintiff on October 7, 2023.
- 4. Defendant engaged the law firm of ScienBiziP, P.C. on or about October 25, 2023.
- 5. Defendant operates an Amazon storefront known as Yingli Direct. Yingli Direct offers a flexible door latch strap product for pet owners ("Accused Product"). Amazon has deactivated Defendant's listings with respect to the Accused Products because of this lawsuit.
- 6. Defendant does not manufacture products. Defendant sources its products from manufacturers located in China. Those manufacturers fabricate the products and prepare the product packaging.

- 7. The Amazon listings with respect to the Accused Products have never included the allegedly copyrighted materials.
- 8. Some of the Accused Products were shipped with pamphlets containing the allegedly copyrighted material as part of the packaging. The pamphlets were inserted by the manufacturer.
- 9. By November 24, 2023, Defendant has instructed Amazon to destroy all warehoused inventory having pamphlets containing the allegedly copyrighted material. Defendant has instructed the manufacturer to not include the pamphlet going forward.
- 10. I have reviewed the reports generated from Defendant's Amazon Seller Central Account showing the Amazon "net proceeds" (sales proceeds less Amazon fees) for the Accused Products. Attached as **Group Exhibit 1** are true and correct copies of these reports generated from Defendant's Amazon Seller Central Account showing the Amazon "net proceeds" for the Accused Products. Using Group Exhibit 1, I summed up all net proceeds for the Accused Products. The total Amazon net proceeds for the accused products are \$40,025.53.
- 11. From the Amazon net proceeds, Defendant must also pay for the cost of the products. Defendant purchased the Accused Products from Chinese manufacturer 深圳市天涯 马科技有限公司. **Exhibit 2** attached hereto is a true and correct copy of a screenshot recently taken of the 1688.com listing offering the Accused Product from Chinese manufacturer 深圳市 天涯马科技有限公[司] for a retail price of approximately CN\\ 7.50 per unit . Defendant purchased the Accused Products at a wholesale price of CN\\ 6.00 per unit, which is approximately \\$0.84 USD. For total units sold, I first looked at each of the listings from Group Exhibit 1 and identified the specific SKU (stock keeping unit). Each SKU ends in a number that indicates the number of units of the Accused Products sold in a pack for the specific listing. For

example, SKU "YYL-latch-PK-1" consists of 1 unit of the Accused Products per listing while "YYL-latch-PK-2" consists of 2 units of the Accused Products per listing and "YYL-latch-PK-4" consists of 4 units of the Accused Products per listing. Therefore, for SKU "YYL-latch-PK-4", while the Amazon Seller Central Account showed that 27 units were sold of the listing, the number of Accused Products sold was 108, which equals 4 (Accused product per units of the listing) x 27 (units of the listing). Using the unit price information gathered herein, the Accused Product per units of the listing gathered from the SKU for each listing and the total units sold gathered from Group Exhibit 1, I calculated the cost of goods for all units of Accused Products sold at approximately \$18,419.52, which equals \$0.84 USD (unit price) x 21,928 (units of Accused Products sold).

12. Subtracting the total cost of the goods (\$18,419.52) from the total Amazon net proceeds yields \$21,606.01 in gross profit from selling the Accused Products. This figure does not include additional costs that Defendant must pay, such as advertising fees and overseas shipping costs.

I declare under the penalty of perjury of the United States that the foregoing is true and correct.

Executed on this 24 day of November 2023, at Nin 9 Bo.

Jiasheng Yang